

**ST. MARTIN, IBERIA, LAFAYETTE
COMMUNITY ACTION AGENCY, INC.**

Financial Report

Year Ended May 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 07 2011**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

We have audited the accompanying statement of financial position of St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization) as of May 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated November 10, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Martin, Iberia, Lafayette Community Action Agency, Inc. as of May 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2011 on our consideration of St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of St. Martin, Iberia, Lafayette Community Action Agency, Inc. taken as a whole. The supplementary information (pp.17-35) is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Agency. The accompanying schedule of expenditures of federal awards (pp.42-43) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 31, 2011

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Financial Position
May 31, 2011

ASSETS

Current assets:	
Cash	\$ 803,323
Receivables:	
Grant funds	1,771,242
Other	1,287
Deposits	9,270
Prepaid expenses	<u>129,769</u>
Total current assets	2,714,891
Property and equipment (net)	<u>2,069,389</u>
Total assets	<u>\$ 4,784,280</u>

LIABILITIES

Liabilities:	
Current liabilities:	
Accounts payable	\$ 801,406
Accrued salaries and related benefits	333,545
Current portion of long-term debt	36,209
Retirement plan payable	514,285
Compensated absences	<u>119,398</u>
Total current liabilities	1,804,843
Long-term liabilities:	
Notes payable	<u>343,112</u>
Total liabilities	<u>2,147,955</u>

NET ASSETS

Unrestricted (deficit)	(52,636)
Temporarily restricted	<u>2,688,961</u>
Total net assets	<u>2,636,325</u>
Total liabilities and net assets	<u>\$ 4,784,280</u>

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Activities
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
Public support:				
In-kind contributions	\$ -	\$ 2,723,461	\$ 2,723,461	\$ 2,486,535
Donations	28,255	105,312	133,567	139,480
Total public support	28,255	2,828,773	2,857,028	2,626,015
Grants from governmental agencies	-	23,391,977	23,391,977	20,155,909
Other revenue:				
Miscellaneous	4,313	51,520	55,833	57,881
Total public support, grants from governmental agencies and other revenue	32,568	26,272,270	26,304,838	22,839,805
Expenses:				
Program services -				
Transportation	-	675,839	675,839	727,327
Project Independence Jobs	-	193,210	193,210	228,559
CSBG	-	1,882,192	1,882,192	1,472,870
Food Reimbursement	-	1,118,186	1,118,186	1,059,690
Shelter Fund	-	405	405	210
Weatherization	-	1,506,658	1,506,658	1,188,671
Local Government Support	-	102,095	102,095	133,064
St. Martin Parish Emergency Assistance	-	15,357	15,357	21,054
Computer Technology	-	1,553	1,553	1,553
Iberia Food & Medical	-	18,800	18,800	13,923
Lafayette Emergency Food & Shelter	-	325	325	3,448
Iberia Emergency Food & Shelter	-	8,997	8,997	24,883
Head Start	-	14,319,196	14,319,196	13,048,120
RSVP	-	78,108	78,108	73,478
Cookbook Fund	8,768	-	8,768	11,166
Family Preservation	-	5,868	5,868	15,394
Home Energy Assistance	-	4,980,810	4,980,810	4,559,246
HPRP	-	718,833	718,833	171,874
United Way	-	29,346	29,346	1,911
EITC	-	760	760	-
Pugh Family Trust	-	2,539	2,539	-
Total program services	8,768	25,659,077	25,667,845	22,756,441

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Activities (Continued)
 Year Ended May 31, 2011
 With Comparative Totals for May 31, 2010

	Unrestricted	Temporarily Restricted	Totals	
			2011	2010
Supporting services -				
General	80,928	-	80,928	73,591
Indirect Cost Pool	-	593,647	593,647	649,221
Total supporting services	<u>80,928</u>	<u>593,647</u>	<u>674,575</u>	<u>722,812</u>
 Total expenses	<u>89,696</u>	<u>26,252,724</u>	<u>26,342,420</u>	<u>23,479,253</u>
 Excess (deficiency) of public support, grants from governmental agencies, and other revenue over expenses	<u>(57,128)</u>	<u>19,546</u>	<u>(37,582)</u>	<u>(639,448)</u>
 Other increases (decreases) in net assets:				
Operating transfers in	53,686	1,174,418	1,228,104	472,298
Operating transfers out	-	(1,228,104)	(1,228,104)	(472,298)
Indirect cost transferred from programs	-	525,465	525,465	443,693
Gain on disposal of equipment	-	-	-	297
Total increases in net assets	<u>53,686</u>	<u>471,779</u>	<u>525,465</u>	<u>443,990</u>
 Change in net assets	(3,442)	491,325	487,883	(195,458)
 Net assets (deficit), beginning of year	<u>(49,194)</u>	<u>2,197,636</u>	<u>2,148,442</u>	<u>2,343,900</u>
 Net assets (deficit), end of year	<u>\$ (52,636)</u>	<u>\$ 2,688,961</u>	<u>\$ 2,636,325</u>	<u>\$ 2,148,442</u>

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Cash Flows
Year Ended May 31, 2011

Cash flows from operating activities:	
Change in net assets	\$ 487,883
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	386,611
(Increase) decrease in operating assets -	
Grant receivables	5,361
Other receivables	257
Deposits	(9,270)
Prepaid expenses	(100,772)
Increase (decrease) in operating liabilities -	
Accounts payable	(337,431)
Accrued salaries and related benefits	39,758
Retirement plan payable	139,010
Compensated absences	42,138
Total adjustments	165,662
Net cash provided by operating activities	653,545
Cash flows from investing activities:	
Payments for property and equipment	(310,626)
Cash flows from financing activities:	
Payments on notes payable	(18,541)
Net increase in cash and cash equivalents	324,378
Beginning cash and cash equivalents	478,945
Ending cash and cash equivalents	\$ 803,323
Supplemental disclosures:	
Cash paid during year for interest	\$ 37,058

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. (SMILE) was created under the Economic Opportunity Act of 1964, as amended, to serve as the antipoverty agency, providing human services for the indigent and disadvantaged through research, planning, development, financing, implementation and evaluation of programs, either directly or through coordinating with other agencies, to attain social and economic independence for the benefit of all present and future generations of disadvantaged people in the Tri-Parish area. St. Martin, Iberia, Lafayette Community Action Agency, Inc. is comprised of eighteen board members, who are equal in numbers from the Community Action Councils of the St. Martin, Iberia, and Lafayette Parishes of Louisiana.

St. Martin, Iberia, Lafayette Community Action Agency, Inc. receives substantially all of its revenue from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Agency's financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions. Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Agency may spend the funds.

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

The Agency reports gifts of buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments available for current use to be cash equivalents.

D. Property and Equipment

Property and equipment is capitalized at cost. All federal program assets costing \$5,000 or more are capitalized and all state program assets costing \$250 or more are capitalized. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of assets as follows:

Computers	3 years
Furnitures, fixtures, and equipment	7-10 years
Automobiles	5 years
Buildings and improvements	15-20 years

E. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred.

F. Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. At May 31, 2011, there is a liability reported in the financial statements for accrued compensated absences of \$119,398.

G. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

I. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, changes in net assets and cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended May 31, 2010, from which the summarized information was derived.

(2) Cash

At May 31, 2011 SMILE had cash (book balances) totaling \$803,323. These deposits are stated at cost, which approximates market. These deposits (bank balances) totaled \$1,733,150 and are fully insured by FDIC insurance and securities pledged at May 31, 2011.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(3) Due To/From Other Funds

Individual balances due to/from other funds at May 31, 2011 are as follows. The following balances have been eliminated in the statement of financial position.

	<u>Due from other funds</u>	<u>Due to other funds</u>
Transportation	\$ 86,601	\$ 59,563
Project Independence	19,520	23,537
CSBG	47,753	213,100
Food Reimbursement	46,539	24,455
Weatherization	90,584	97,399
HUD	350	110
Local Government Support	34,586	68,661
Iberia Food and Medical	-	7,447
Iberia Food and Shelter	310	-
Head Start	202,458	137,347
RSVP	9,019	12,946
Medicaid Enrollment	2,486	-
Cookbook Fund	2,789	2,182
Family Preservation	1,626	138
Payroll Fund	375,156	114,974
Accounts Payable	164,616	352,770
Home Energy Assistance	84,184	32,943
General Fund	260	9,121
Indirect Cost Fund	44,066	55,106
United Way	7,953	5,094
Shelter Fund	-	510
EITC	8,518	782
Disaster Fund	81	398
HPRP	51,508	62,380
	<u>\$ 1,280,963</u>	<u>\$ 1,280,963</u>

Of the amounts recorded as due to/from other funds in 2011, \$375,156 relates to payroll and \$164,616 relates to accounts payable.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(4) Restrictions on Net Assets

Temporarily restricted net assets are available for specific grant programs at May 31, 2011 as follows:

Transportation	\$ 203,589
Project Independence Jobs	46,548
CSBG	69,193
Food Reimbursement	82,318
Shelter Fund	1,751
Weatherization	273,337
HUD	21,549
Local Government Support	254,946
St. Martin Parish Emergency Assistance	2,447
Iberia Food & Medical	4,568
Iberia Parish Special Trust	157
Lafayette Emergency Food & Shelter	10,238
Iberia Emergency Food & Shelter	316
Headstart	1,421,875
RSVP	3,943
Medicaid Enrollment	2,334
Family Preservation	1,215
HPRP	31,245
Home Energy Assistance	191,517
Indirect Cost Pool	1,095
Computer Technology	30,282
Group Mentoring	479
United Way	15,493
Youth Initiative	2,369
Community Response Initiative	89
Quality Child Care Initiative	871
EITC	7,736
Pugh Family Trust	7,461
Total Temporary Restricted Net Assets	<u>\$ 2,688,961</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(5) Commitments and Contingencies

A. Contingent Liabilities

At May 31, 2011, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. is a defendant in one lawsuit. In the opinion of management, the lawsuit is in the discovery stage and it is too early to determine the possible outcome. Therefore, there has been no accrual on the balance sheet at May 31, 2011.

B. Grant Audits

SMILE, Inc. receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and SMILE, Inc. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect SMILE, Inc.'s financial position.

(6) Retirement Plan

Plan Description: The St. Martin, Iberia, Lafayette Community Action Agency, Inc. contributes to a defined contribution plan administered under a contract with Mutual of America. Mutual of America receives the plan contributions, maintains participants' individual accounts, offers the investment options and pays benefits to participants and their beneficiaries.

Funding Policy: The retirement plan covers all employees who have one year of service and are age eighteen or older. The Agency will contribute to the plan the amount determined by the Agency at its discretion. The Agency may choose not to contribute to the plan for a particular plan year. Participants can contribute any amount from 1% to 16% of their compensation each pay period provided that the participant does not contribute more than the maximum permitted by law. There were no significant changes during the period affecting comparability. Agency contribution for the year ending May 31, 2011 was \$274,011.

(7) Economic Dependency

The Agency receives the majority of its revenue from funds provided through grants administered by the U.S. Department of Health and Human Services. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Agency receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Agency will receive in the next fiscal year.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(8) In-Kind Contributions

The Agency is allowed free use of certain facilities by landlords and is donated services by individuals. In-kind contributions are valued at the fair market value of the rent or services donated on the date of donation.

(9) Property and Equipment

Property and equipment at May 31, 2011 consists of the following:

Furniture, fixtures and equipment	\$ 866,182
Automobiles	2,358,317
Buildings and improvements	4,418,818
Land	97,764
Construction in Progress	<u>9,270</u>
Total	7,750,351
Less: Accumulated depreciation	<u>(5,680,962)</u>
Net assets	<u>\$ 2,069,389</u>

Property and equipment purchased with federal monies may revert back to the government or the sale of such property and equipment has to be approved and the proceeds from the sale are restricted. Depreciation expense for the year ended May 31, 2011 was \$368,611.

(10) Notes Payable

The Organization's note payable balance consists of the following at May 31, 2011:

Note payable to Hibernia, original amount of \$500,000, due in monthly installments of \$4,449, which includes interest at a rate of 8.71 percent, maturing December 2021, secured by building.	\$ 365,989
Note payable to Leemco, original amount of \$23,464, due in monthly installments of \$1,235, which includes interest at a rate of 14.0 percent, maturing February 2012.	<u>13,332</u>
	<u>\$ 379,321</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

Following is the maturity of the notes payable which includes interest of \$199,924:

Years ending May 31:

2012	\$ 67,650
2013	53,384
2014	53,384
2015	53,384
2016	53,384
2017-2021	266,919
2022	<u>31,140</u>
Total	<u>\$ 579,245</u>

The total amount of interest charged to expense for the year ended May 31, 2011 is \$37,058. It is the Agency's intent to use local funds to retire this debt each year.

(11) Individual Program Deficit

The following program had deficit net assets at May 31, 2011:

General fund	\$ 54,758
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The deficit in the General Fund is expected to be funded by future fund raising and/or local support monies.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(12) Operating Leases

The Agency is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, therefore the results of these agreements are not reflected in property and equipment.

Rent expense for the year ended May 31, 2011 was \$289,886. The following is a schedule, by years, of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of May 31, 2011:

<u>Year Ending May 31,</u>	<u>Amounts</u>
2012	\$ 174,779
2013	110,318
2014	26,564
2015	<u>7,371</u>
Total minimum payments required	<u>\$ 319,032</u>

(13) Subsequent Events

Subsequent events have been evaluated through October 31, 2011 the date of the financial statement issuance.

SUPPLEMENTARY INFORMATION

SCHEDULE OF INDIVIDUAL FUNDS

DIRECT FEDERAL PROGRAMS

Department of Housing and Urban Development

HUD Housing Counseling Program

The purpose of this grant is to provide comprehensive housing counseling to assist in improving the individual's housing conditions.

Department of Health and Human Services

Head Start Program/Early Childhood

The Head Start Program provides comprehensive early child development for disadvantaged pre-school children and their families. As part of this program, the grantee also operates a food program for qualifying students on a cost reimbursement basis through the United States Department of Agriculture.

Training and Technical Assistance Programs

This special grant provides for the training and certification of Head Start Program instructors.

Handicapped Program

This grant extends the Head Start Program to include handicapped children.

The Corporation for National Service

Retired Senior Volunteer Program (RSVP)

The purpose of this grant is to involve senior citizens in community participation projects.

Department of Education

The Community Technology Centers Program allows SMILE to provide computer technology classes to qualified individuals.

INDIRECT FEDERAL PROGRAMS

The Agency receives federal funds as the subgrantee of various departments of the State of Louisiana. The various state departments have the ultimate responsibility of reporting to the federal grantors.

Project Independence Jobs/Transportation

Provides transportation for participants and their designated children. Also, provides funds to the Transportation program to help provide services to the underprivileged.

Department of Labor

The Community Services Block Grant Program (CSBG) provides various direct program services to the needy and defrays a portion of the Agency's administrative costs.

Department of Education

The Child Care Feeding Program (Food Reimbursement) provides balanced meals to qualified children and adults in the Tri-Parish area Child Development Programs.

Department of Social Services

Weatherization Assistance Program grants and Low Income Home Energy Assistance Program (LIHEAP) grants provide services to assist needy individuals in home insulation.

Department of Housing and Urban Development

Homelessness Prevention and Rapid Re-Housing (HPRP) assistance is provided to rapidly transition program participants to housing stability, either through their own means or through public assistance, as appropriate.

Emergency Food and Shelter National Board Program

This grant provides emergency food and shelter assistance to qualified individuals in the parishes of St. Martin, Iberia and Lafayette.

Department of Social Services

Child Welfare Resource Center – This program will establish a center to ensure the safety, well being and permanency of families who are at risk of dissolution as a result of child abuse and/or neglect.

Department of Social Services

Low Income Home Energy Assistance Program - This program provides direct payments to home energy suppliers on behalf of eligible households.

Department of Social Services

Earned Income Tax Credit (EITC) Program - This program provides outreach and tax preparation services for low-income individuals and families.

(continued)

INDIRECT FEDERAL PROGRAMS (continued)

Department of Health and Human Services

Medicaid Enrollment

This grant allows SMILE to offer outreach medicaid eligibility services to specific groups of individuals by assisting potential medicaid eligibles to complete an initial application for health care coverage and in some instances by assisting medicaid beneficiaries with the recertification process.

Group Mentoring

Promotes youth development and leadership, targeting at risk youth, grades 9-12 in St. Martin Parish.

Youth Initiative

Designed to increase youth leadership skills, enhance literacy with Head Start families and reduce social ills plaguing disadvantaged populations.

Community Response Initiative

To provide intervention services to offset Martin Mills layoffs. Services include providing job community fair, job skills training, job recruitment/placement, emergency assistance, counseling, transportation services, child care services, healthy marriage/family support, parenting/child development training, and crisis intervention/support groups.

Quality Child Care Initiative

To provide parent-child enrichment programs to include a family literacy project, increase parenting skills and offset cultural and recreational activities.

LOCAL PROGRAMS

The Agency receives grants from local governmental bodies and non-profit organizations.

Local Government Support (Matching Fund)

Programs that provide supplementary assistance for established programs or matching requirements for established programs.

St. Martin Parish Emergency Assistance

Funded by local contributions, this program provides emergency energy, rent and medical assistance to the qualified elderly of St. Martin Parish.

Iberia Food and Medical

Funded by United Way of Iberia and other local grants and contributions, this grant provides medical and food assistance on a one time basis to qualified individuals in Iberia Parish.

Disaster

Set up due to Hurricanes Katrina and Rita to assist evacuees seeking assistance with rental and utility deposits in order to relocate.

United Way

To target 30 low-income families in St. Martin Parish to educate them on finances and maintaining a saving account for emergencies.

Pugh Family Trust Grant/Community Foundation of Acadiana

To provide computer technology workshops and a resource center for disadvantaged individuals in St. Martin, Iberia and Lafayette Parishes. Workshops include Computer Basics, Internet Basics and MS Word for Beginners. Workshops enable participants to become computer literate so that they can have the skills necessary to achieve more independent living – use a computer, create a résumé, fill out an online job application, establish an email account, etc. The workshops are free to persons who are 200% of the federal poverty guidelines. Participants receive "Certificates of Completion" for each workshop.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Transportation	Project Independence Jobs	CSBG	Food Reimbursement	Shelter Fund
ASSETS					
Current assets:					
Cash	\$ -	\$ 23,143	\$ 60,083	\$ 24,446	\$ 2,261
Receivables:					
Grant funds	26,312	16,525	167,000	39,719	-
Due from other funds	86,601	19,520	47,753	46,539	-
Other	-	-	208	-	-
Deposits	9,270	-	-	-	-
Prepaid expenses	22,539	7,711	1,186	-	-
Total current assets	144,722	66,899	276,230	110,704	2,261
Property and equipment (net)	139,045	9,972	33,095	-	-
Total assets	\$ 283,767	\$ 76,871	\$ 309,325	\$ 110,704	\$ 2,261
LIABILITIES					
Liabilities:					
Current liabilities:					
Due to other funds	\$ 59,563	\$ 23,537	\$ 213,100	\$ 24,455	\$ 510
Accounts payable	8,987	120	6,848	3,931	-
Accrued salaries and related benefits	-	-	-	-	-
Notes payable	6,666	6,666	-	-	-
Retirement plan payable	-	-	-	-	-
Compensated absences	4,962	-	20,184	-	-
Total current liabilities	80,178	30,323	240,132	28,386	510
Long-term liabilities:					
Notes payable	-	-	-	-	-
Total liabilities	80,178	30,323	240,132	28,386	510
NET ASSETS					
Unrestricted (deficit)	-	-	-	-	-
Temporarily restricted	203,589	46,548	69,193	82,318	1,751
Total net assets (deficit)	203,589	46,548	69,193	82,318	1,751
Total liabilities and net assets	\$ 283,767	\$ 76,871	\$ 309,325	\$ 110,704	\$ 2,261

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Weatherization	HUD	Local Government Support (Matching Fund)	St. Martin Parish Emergency Assistance	Iberia Food & Medical	Iberia Parish Special Trust
ASSETS						
Current assets:						
Cash	\$ -	\$ 21,309	\$ 32,663	\$ 2,447	\$ 12,015	\$ 157
Receivables:						
Grant funds	414,177	-	32,412	-	-	-
Due from other funds	90,584	350	34,586	-	-	-
Other	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Prepaid expenses	2,373	-	2,373	-	-	-
Total current assets	507,134	21,659	102,034	2,447	12,015	157
Property and equipment (net)	17,575	-	222,793	-	-	-
Total assets	<u>\$ 524,709</u>	<u>\$ 21,659</u>	<u>\$ 324,827</u>	<u>\$ 2,447</u>	<u>\$ 12,015</u>	<u>\$ 157</u>
LIABILITIES						
Liabilities:						
Current liabilities:						
Due to other funds	\$ 97,399	\$ 110	\$ 68,661	\$ -	\$ 7,447	\$ -
Accounts payable	151,759	-	1,220	-	-	-
Accrued salaries and related benefits	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Retirement plan payable	-	-	-	-	-	-
Compensated absences	2,214	-	-	-	-	-
Total current liabilities	251,372	110	69,881	-	7,447	-
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	<u>251,372</u>	<u>110</u>	<u>69,881</u>	<u>-</u>	<u>7,447</u>	<u>-</u>
NET ASSETS						
Unrestricted (deficit)	-	-	-	-	-	-
Temporarily restricted	273,337	21,549	254,946	2,447	4,568	157
Total net assets (deficit)	<u>273,337</u>	<u>21,549</u>	<u>254,946</u>	<u>2,447</u>	<u>4,568</u>	<u>157</u>
Total liabilities and net assets	<u>\$ 524,709</u>	<u>\$ 21,659</u>	<u>\$ 324,827</u>	<u>\$ 2,447</u>	<u>\$ 12,015</u>	<u>\$ 157</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter	Head Start	RSVP	Medicaid Enrollment	Cookbook Fund
ASSETS						
Current assets:						
Cash	\$ 10,238	\$ 6	\$ (378,792)	\$ 8,806	\$ -	\$ 1,035
Receivables:						
Grant funds	-	-	451,015	-	-	-
Due from other funds	-	310	202,458	9,019	2,486	2,789
Other	-	-	808	-	-	-
Deposits	-	-	-	-	-	-
Prepaid expenses	-	-	85,906	475	-	-
Total current assets	10,238	316	361,395	18,300	2,486	3,824
Property and equipment (net)	-	-	1,296,145	-	-	480
Total assets	<u>\$ 10,238</u>	<u>\$ 316</u>	<u>\$ 1,657,540</u>	<u>\$ 18,300</u>	<u>\$ 2,486</u>	<u>\$ 4,304</u>
LIABILITIES						
Liabilities:						
Current liabilities:						
Due to other funds	\$ -	\$ -	\$ 137,347	\$ 12,946	\$ -	\$ 2,182
Accounts payable	-	-	17,302	9	152	-
Accrued salaries and related benefits	-	-	-	444	-	-
Notes payable	-	-	-	-	-	-
Retirement plan payable	-	-	-	-	-	-
Compensated absences	-	-	81,016	958	-	-
Total current liabilities	-	-	235,665	14,357	152	2,182
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	-	-	235,665	14,357	152	2,182
NET ASSETS						
Unrestricted (deficit)	-	-	-	-	-	2,122
Temporarily restricted	10,238	316	1,421,875	3,943	2,334	-
Total net assets (deficit)	10,238	316	1,421,875	3,943	2,334	2,122
Total liabilities and net assets	<u>\$ 10,238</u>	<u>\$ 316</u>	<u>\$ 1,657,540</u>	<u>\$ 18,300</u>	<u>\$ 2,486</u>	<u>\$ 4,304</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)

Year Ended May 31, 2011

With Comparative Totals for May 31, 2010

	Family Preservation	Payroll	HPRP	Accounts Payable	Home Energy Assistance	General
ASSETS						
Current assets:						
Cash	\$ -	\$ 587,204	\$ -	\$ 188,154	\$ 138,832	\$ -
Receivables:						
Grant funds	1,439	-	87,870	-	534,092	-
Due from other funds	1,626	375,156	51,508	164,616	84,184	260
Other	-	-	-	-	-	107
Deposits	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	356	-
Total current assets	3,065	962,360	139,378	352,770	757,464	367
Property and equipment (net)	-	-	-	-	-	332,711
Total assets	\$ 3,065	\$ 962,360	\$ 139,378	\$ 352,770	\$ 757,464	\$ 333,078
LIABILITIES						
Liabilities:						
Current liabilities:						
Due to other funds	\$ 138	\$ 114,974	\$ 62,380	\$ 352,770	\$ 32,943	\$ 9,121
Accounts payable	1,712	-	45,753	-	533,004	12,726
Accrued salaries and related benefits	-	333,101	-	-	-	-
Notes payable	-	-	-	-	-	22,877
Retirement plan payable	-	514,285	-	-	-	-
Compensated absences	-	-	-	-	-	-
Total current liabilities	1,850	962,360	108,133	352,770	565,947	44,724
Long-term liabilities:						
Notes payable	-	-	-	-	-	343,112
Total liabilities	1,850	962,360	108,133	352,770	565,947	387,836
NET ASSETS						
Unrestricted (deficit)	-	-	-	-	-	(54,758)
Temporarily restricted	1,215	-	31,245	-	191,517	-
Total net assets (deficit)	1,215	-	31,245	-	191,517	(54,758)
Total liabilities and net assets	\$ 3,065	\$ 962,360	\$ 139,378	\$ 352,770	\$ 757,464	\$ 333,078

(continued)

ST. MARTIN, IBERIA, LAFA YETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Indirect Cost Pool	Computer Technology	Group Mentoring	United Way	Youth Initiative	Community Response Initiative
ASSETS						
Current assets:						
Cash	\$ 31,074	\$ 13,882	\$ 479	\$ 12,634	\$ 2,369	\$ 89
Receivables:						
Grant funds	681	-	-	-	-	-
Due from other funds	44,066	-	-	7,953	-	-
Other	164	-	-	-	-	-
Deposits	-	-	-	-	-	-
Prepaid expenses	6,850	-	-	-	-	-
Total current assets	82,835	13,882	479	20,587	2,369	89
Property and equipment (net)	1,173	16,400	-	-	-	-
Total assets	\$ 84,008	\$ 30,282	\$ 479	\$ 20,587	\$ 2,369	\$ 89
LIABILITIES						
Liabilities:						
Current liabilities:						
Due to other funds	\$ 55,106	\$ -	\$ -	\$ 5,094	\$ -	\$ -
Accounts payable	17,743	-	-	-	-	-
Accrued salaries and related benefits	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-
Retirement plan payable	-	-	-	-	-	-
Compensated absences	10,064	-	-	-	-	-
Total current liabilities	82,913	-	-	5,094	-	-
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	82,913	-	-	5,094	-	-
NET ASSETS						
Unrestricted (deficit)	-	-	-	-	-	-
Temporarily restricted	1,095	30,282	479	15,493	2,369	89
Total net assets (deficit)	1,095	30,282	479	15,493	2,369	89
Total liabilities and net assets	\$ 84,008	\$ 30,282	\$ 479	\$ 20,587	\$ 2,369	\$ 89

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
 Year Ended May 31, 2011
 With Comparative Totals for May 31, 2010

	Quality Child Care Initiative	EITC	Disaster	Pugh Family Trust
ASSETS				
Current assets:				
Cash	\$ 871	\$ -	\$ 317	\$ 7,601
Receivables:				
Grant funds	-	-	-	-
Due from other funds	-	8,518	81	-
Other	-	-	-	-
Deposits	-	-	-	-
Prepaid expenses	-	-	-	-
Total current assets	871	8,518	398	7,601
Property and equipment (net)	-	-	-	-
Total assets	\$ 871	\$ 8,518	\$ 398	\$ 7,601
LIABILITIES				
Liabilities:				
Current liabilities:				
Due to other funds	\$ -	\$ 782	\$ 398	\$ -
Accounts payable	-	-	-	140
Accrued salaries and related benefits	-	-	-	-
Notes payable	-	-	-	-
Retirement plan payable	-	-	-	-
Compensated absences	-	-	-	-
Total current liabilities	-	782	398	140
Long-term liabilities:				
Notes payable	-	-	-	-
Total liabilities	-	782	398	140
NET ASSETS				
Unrestricted (deficit)	-	-	-	-
Temporarily restricted	871	7,736	-	7,461
Total net assets (deficit)	871	7,736	-	7,461
Total liabilities and net assets	\$ 871	\$ 8,518	\$ 398	\$ 7,601

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)

Year Ended May 31, 2011

With Comparative Totals for May 31, 2010

	Total	Eliminating Entries	Totals	
			2011	2010
ASSETS				
Current assets:				
Cash	\$ 803,323	\$ -	\$ 803,323	\$ 478,945
Receivables:				
Grant funds	1,771,242	-	1,771,242	1,776,603
Due from other funds	1,280,963	(1,280,963)	-	-
Other	1,287	-	1,287	1,544
Deposits	9,270	-	9,270	-
Prepaid expenses	129,769	-	129,769	28,997
Total current assets	3,995,854	(1,280,963)	2,714,891	2,286,089
Property and equipment (net)	2,069,389	-	2,069,389	2,132,042
Total assets	\$ 6,065,243	\$ (1,280,963)	\$ 4,784,280	\$ 4,418,131
LIABILITIES				
Liabilities:				
Current liabilities:				
Due to other funds	\$ 1,280,963	\$ (1,280,963)	\$ -	\$ -
Accounts payable	801,406	-	801,406	1,138,837
Accrued salaries and related benefits	333,545	-	333,545	293,787
Notes payable	36,209	-	36,209	20,976
Retirement plan payable	514,285	-	514,285	375,275
Compensated absences	119,398	-	119,398	77,260
Total current liabilities	3,085,806	(1,280,963)	1,804,843	1,906,135
Long-term liabilities:				
Notes payable	343,112	-	343,112	363,554
Total liabilities	3,428,918	(1,280,963)	2,147,955	2,269,689
NET ASSETS				
Unrestricted (deficit)	(52,636)	-	(52,636)	(49,194)
Temporarily restricted	2,688,961	-	2,688,961	2,197,636
Total net assets (deficit)	2,636,325	-	2,636,325	2,148,442
Total liabilities and net assets	\$ 6,065,243	\$ (1,280,963)	\$ 4,784,280	\$ 4,418,131

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Transportation	Project Independence Jobs	CSBG	Food Reimbursement	Shelter Fund
Public support:					
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	94,518	-	-	-	-
Total public support	94,518	-	-	-	-
Grants from governmental agencies	264,202	176,378	1,953,617	1,046,866	-
Other revenue:					
Miscellaneous	7,638	-	5,350	-	40
Total public support, grants from governmental agencies and other revenue	366,358	176,378	1,958,967	1,046,866	40
Expenses:					
Direct costs -					
Salaries and wages	202,438	81,106	841,826	191,714	-
Fringe benefits	19,077	7,500	77,007	15,703	-
Retirement plan	5,696	2,303	24,995	5,751	-
Depreciation	46,759	1,760	19,647	-	-
Contract services	8,854	215	99,048	-	-
Travel	1,673	-	6,367	91	-
Consumable supplies	5,299	113	49,548	41,741	-
Space costs	8,297	3,615	117,725	311	-
Repairs and maintenance	172,791	32,964	19,952	21,140	-
Operating services	189,241	57,134	607,396	828,534	-
Other	905	-	18,682	-	405
Interest expense	1,108	1,108	-	-	-
Indirect costs	13,701	5,391	-	13,201	-
In-kind contributions	-	-	-	-	-
Total expenses	675,839	193,210	1,882,192	1,118,186	405
Public support, grants from governmental agencies and other revenue over (under) expenses	(309,481)	(16,832)	76,775	(71,320)	(365)
Other increases (decreases) in net assets:					
Operating transfers in	511,878	617	66,881	233,917	-
Operating transfers out	(21,473)	(97,876)	(74,502)	-	-
Indirect cost transferred from programs	-	-	-	-	-
Gain (loss) on disposal of fixed assets	-	-	-	-	-
Total other increases (decreases) in net assets	490,405	(97,259)	(7,621)	233,917	-
Change in net assets	180,924	(114,091)	69,154	162,597	(365)
Net assets (deficit), beginning of year	22,665	160,639	39	(80,279)	2,116
Net assets (deficit), end of year	\$ 203,589	\$ 46,548	\$ 69,193	\$ 82,318	\$ 1,751

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)

Year Ended May 31, 2011

With Comparative Totals for May 31, 2010

	Weatherization	HUD	Local Government Support (Matching Fund)	St. Martin Parish Emergency Assistance	Iberia Food & Medical	Iberia Parish Special Trust
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	148	-	-	-
Total public support	-	-	148	-	-	-
Grants from governmental agencies	1,595,259	-	391,470	15,269	18,732	-
Other revenue:						
Miscellaneous	124	-	738	-	-	-
Total public support, grants from governmental agencies and other revenue	<u>1,595,383</u>	<u>-</u>	<u>392,356</u>	<u>15,269</u>	<u>18,732</u>	<u>-</u>
Expenses:						
Direct costs -						
Salaries and wages	81,192	-	-	-	-	-
Fringe benefits	8,246	-	-	-	-	-
Retirement plan	2,400	-	-	-	-	-
Depreciation	3,005	-	19,220	-	-	-
Contract services	62,855	-	6,036	-	-	-
Travel	17,610	-	280	-	-	-
Consumable supplies	3,069	-	2,899	-	-	-
Space costs	6,773	-	38,486	-	-	-
Repairs and maintenance	10,686	-	10,403	-	-	-
Operating services	1,296,982	-	23,874	15,274	18,800	-
Other	13,841	-	678	83	-	-
Interest expense	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-
In-kind contributions	-	-	219	-	-	-
Total expenses	<u>1,506,658</u>	<u>-</u>	<u>102,095</u>	<u>15,357</u>	<u>18,800</u>	<u>-</u>
Public support, grants from governmental agencies and other revenue over (under) expenses	<u>88,725</u>	<u>-</u>	<u>290,261</u>	<u>(88)</u>	<u>(68)</u>	<u>-</u>
Other increases (decreases) in net assets:						
Operating transfers in	23,573	1,152	15,565	-	-	-
Operating transfers out	(50,592)	(11,506)	(433,411)	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	<u>(27,019)</u>	<u>(10,354)</u>	<u>(417,846)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	61,706	(10,354)	(127,585)	(88)	(68)	-
Net assets (deficit), beginning of year	<u>211,631</u>	<u>31,903</u>	<u>382,531</u>	<u>2,535</u>	<u>4,636</u>	<u>157</u>
Net assets (deficit), end of year	<u>\$ 273,337</u>	<u>\$ 21,549</u>	<u>\$ 254,946</u>	<u>\$ 2,447</u>	<u>\$ 4,568</u>	<u>\$ 157</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter	Head Start	RSVP	Medicaid Enrollment	Cookbook Fund
Public support:						
In-kind contributions	\$ -	\$ -	\$ 2,710,066	\$ 13,395	\$ -	\$ -
Donations	-	-	165	10,481	-	2,001
Total public support	-	-	2,710,231	23,876	-	2,001
Grants from governmental agencies	-	6,360	11,929,066	46,691	56	-
Other revenue:						
Miscellaneous	-	-	35,257	169	-	4,027
Total public support, grants from governmental agencies and other revenue	-	6,360	14,674,554	70,736	56	6,028
Expenses:						
Direct costs -						
Salaries and wages	-	-	7,157,552	45,028	-	-
Fringe benefits	-	-	765,701	3,682	-	-
Retirement plan	-	-	214,547	1,335	-	-
Depreciation	-	-	266,301	-	-	6
Contract services	-	-	11,504	-	-	-
Travel	-	-	36,335	189	-	-
Consumable supplies	-	-	261,587	151	-	109
Space costs	-	-	604,146	4,588	-	64
Repairs and maintenance	-	-	399,529	227	-	-
Operating services	175	8,948	1,383,808	4,220	-	3,715
Other	150	49	18,481	2,398	-	4,874
Interest expense	-	-	-	-	-	-
Indirect costs	-	-	489,640	2,895	-	-
In-kind contributions	-	-	2,710,066	13,395	-	-
Total expenses	325	8,997	14,319,196	78,108	-	8,768
Public support, grants from governmental agencies and other revenue over (under) expenses	(325)	(2,637)	355,359	(7,372)	56	(2,740)
Other increases (decreases) in net assets:						
Operating transfers in	-	-	31,301	8,200	-	-
Operating transfers out	-	-	(278,028)	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	-	-	(246,727)	8,200	-	-
Change in net assets	(325)	(2,637)	108,631	828	56	(2,740)
Net assets (deficit), beginning of year	10,563	2,953	1,313,244	3,115	2,278	4,862
Net assets (deficit), end of year	\$ 10,238	\$ 316	\$ 1,421,875	\$ 3,943	\$ 2,334	\$ 2,122

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Family Preservation	Payroll	HRP	Accounts Payable	Home Energy Assistance	General
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	26,254
Total public support	-	-	-	-	-	26,254
Grants from governmental agencies	1,880	-	700,859	-	5,202,735	-
Other revenue:						
Miscellaneous	-	-	-	-	-	286
Total public support, grants from governmental agencies and other revenue	1,880	-	700,859	-	5,202,735	26,540
Expenses:						
Direct costs -						
Salaries and wages	3,716	-	104,759	-	111,698	-
Fringe benefits	340	-	10,477	-	10,641	-
Retirement plan	111	-	3,139	-	3,002	-
Depreciation	-	-	-	-	-	28,043
Contract services	-	-	583	-	959	-
Travel	595	-	2,853	-	732	-
Consumable supplies	353	-	348	-	5,951	-
Space costs	-	-	-	-	6,874	-
Repairs and maintenance	247	-	-	-	304	-
Operating services	250	-	595,372	-	4,839,228	-
Other	-	-	1,302	-	1,421	18,043
Interest expense	-	-	-	-	-	34,842
Indirect costs	256	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses	5,868	-	718,833	-	4,980,810	80,928
Public support, grants from governmental agencies and other revenue over (under) expenses	(3,988)	-	(17,974)	-	221,925	(54,388)
Other increases (decreases) in net assets:						
Operating transfers in	-	-	59,434	-	74,900	53,686
Operating transfers out	(2,600)	-	-	-	(154,000)	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	(2,600)	-	59,434	-	(79,100)	53,686
Change in net assets	(6,588)	-	41,460	-	142,825	(702)
Net assets (deficit), beginning of year	7,803	-	(10,215)	-	48,692	(54,056)
Net assets (deficit), end of year	\$ 1,215	\$ -	\$ 31,245	\$ -	\$ 191,517	\$ (54,758)

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)

Year Ended May 31, 2011

With Comparative Totals for May 31, 2010

	Indirect Cost Pool	Computer Technology	Group Mentoring	United Way	Youth Initiative	Community Response Initiative
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	-
Total public support	-	-	-	-	-	-
Grants from governmental agencies	-	-	-	33,870	-	-
Other revenue:						
Miscellaneous	2,203	-	-	-	-	-
Total public support, grants from governmental agencies and other revenue	2,203	-	-	33,870	-	-
Expenses:						
Direct costs -						
Salaries and wages	332,509	-	-	22,285	-	-
Fringe benefits	33,017	-	-	2,011	-	-
Retirement plan	10,094	-	-	637	-	-
Depreciation	317	1,553	-	-	-	-
Contract services	92,628	-	-	-	-	-
Travel	2,813	-	-	2,102	-	-
Consumable supplies	4,439	-	-	542	-	-
Space costs	31,848	-	-	-	-	-
Repairs and maintenance	17,844	-	-	-	-	-
Operating services	61,517	-	-	1,391	-	-
Other	6,621	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Indirect costs	-	-	-	378	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses	593,647	1,553	-	29,346	-	-
Public support, grants from governmental agencies and other revenue over (under) expenses	(591,444)	(1,553)	-	4,524	-	-
Other increases (decreases) in net assets:						
Operating transfers in	147,000	-	-	-	-	-
Operating transfers out	(104,116)	-	-	-	-	-
Indirect cost transferred from programs	525,465	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	568,349	-	-	-	-	-
Change in net assets	(23,095)	(1,553)	-	4,524	-	-
Net assets (deficit), beginning of year	24,190	31,835	479	10,969	2,369	89
Net assets (deficit), end of year	\$ 1,095	\$ 30,282	\$ 479	\$ 15,493	\$ 2,369	\$ 89

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2011
With Comparative Totals for May 31, 2010

	Quality Child Care Initiative	EITC	Disaster	Pugh Family Trust	Totals	
					2011	2010
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ 2,723,461	\$ 2,486,535
Donations	-	-	-	-	133,567	139,480
Total public support	-	-	-	-	2,857,028	2,626,015
Grants from governmental agencies	-	(1,332)	-	10,000	23,391,977	20,155,909
Other revenue:						
Miscellaneous	-	-	-	-	55,833	57,881
Total public support, grants from governmental agencies and other revenue	-	(1,332)	-	10,000	26,304,838	22,839,805
Expenses:						
Direct costs -						
Salaries and wages	-	-	-	-	9,175,822	8,398,729
Fringe benefits	-	-	-	-	953,402	881,474
Retirement plan	-	-	-	-	274,011	249,888
Depreciation	-	-	-	-	386,611	359,988
Contract services	-	-	-	140	282,822	389,499
Travel	-	-	-	-	71,639	82,462
Consumable supplies	-	-	-	-	376,149	463,530
Space costs	-	-	-	-	822,726	771,646
Repairs and maintenance	-	-	-	-	686,086	701,192
Operating services	-	760	-	2,399	9,939,018	8,097,143
Other	-	-	-	-	87,932	119,060
Interest expense	-	-	-	-	37,058	34,414
Indirect costs	-	-	-	-	525,463	443,693
In-kind contributions	-	-	-	-	2,723,680	2,486,535
Total expenses	-	760	-	2,539	26,342,420	23,479,253
Public support, grants from governmental agencies and other revenue over (under) expenses	-	(2,092)	-	7,461	(37,582)	(639,448)
Other increases (decreases) in net assets:						
Operating transfers in	-	-	-	-	1,228,104	472,298
Operating transfers out	-	-	-	-	(1,228,104)	(472,298)
Indirect cost transferred from programs	-	-	-	-	525,465	443,693
Loss on disposal of fixed assets	-	-	-	-	-	297
Total other increases (decreases) in net assets	-	-	-	-	525,465	443,990
Change in net assets	-	(2,092)	-	7,461	487,883	(195,458)
Net assets (deficit), beginning of year	871	9,828	-	-	2,148,442	2,343,900
Net assets (deficit), end of year	\$ 871	\$ 7,736	\$ -	\$ 7,461	\$ 2,636,325	\$ 2,148,442

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Indirect Cost Pool
Statements of Revenue and Expenses
Years Ended May 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue:		
Indirect cost revenues	<u>\$ 527,668</u>	<u>\$ 445,232</u>
Expenses:		
Direct costs -		
Salaries and wages	332,509	325,648
Fringe benefits	33,017	32,992
Retirement expense	10,094	9,452
Depreciation	317	796
Contract services	1,617	1,617
Travel	2,813	8,602
Consumable supplies	2,412	1,307
Repairs and maintenance	17,844	21,523
Other	24,705	39,422
Operating services -		
Copy machine expense	20,114	29,186
Auto expenses	11,043	11,094
Professional fees	91,012	89,224
Rent	10,777	6,600
Utilities and telephone	21,059	34,102
Office supplies	2,027	21,384
Publications and subscriptions	230	596
Insurance - general	1,499	1,631
Employee development	<u>10,558</u>	<u>14,045</u>
Total expenses	<u>593,647</u>	<u>649,221</u>
Deficiency of revenue over expenses	<u>\$ (65,979)</u>	<u>\$ (203,989)</u>

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

We have audited the financial statements of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization) as of and for the year ended May 31, 2011 and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 31, 2011

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

Compliance

We have audited the compliance of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended May 31, 2011. The St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance with those requirements.

As described in item 11-1(C) in the accompanying schedule of current and prior year audit findings and management's corrective action plan, St. Martin, Iberia, Lafayette Community Action Agency, Inc. did not comply with eligibility requirements applicable to its Homelessness Prevention and Rapid Re-Housing Program (HPRP). Compliance with such requirements is necessary, in our opinion, for St. Martin, Iberia, Lafayette Community Action Agency, Inc. to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2011. The results of our auditing procedures also disclosed another instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 11-2(C).

Internal Control Over Compliance

Management of the St. Martin, Iberia, Lafayette, Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over compliance that might be significant deficiencies or material weaknesses and therefore, therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 11-1(C) to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 11-2(C) to be a significant deficiency.

The St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 31, 2011

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Expenditures of Federal Awards
Year Ended May 31, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Agriculture</u>			
Passed through State Department of Education - Food Reimbursement *	10.558	-	<u>\$ 1,046,866</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Lafayette Consolidated Government - ARRA - Homeless Prevention and Rapid Re-Housing Program (HPRP), Recovery Act *	14.257	S09-MY-22-0004	318,682
Passed through St. Martin Parish Government - ARRA - Homeless Prevention and Rapid Re-Housing Program (HPRP), Recovery Act *	14.257	S09-MY-22-0004	174,950
Passed through Iberia Parish Government - ARRA - Homeless Prevention and Rapid Re-Housing Program (HPRP), Recovery Act *	14.257	S09-MY-22-0004	<u>207,227</u>
Total HPRP			<u>700,859</u>
<u>U.S. Department of Energy</u>			
Passed through State Department of Social Services - Office of Community Services - Weatherization *	81.042	-	103,817
ARRA - Weatherization *	81.042	DEEE0000122	<u>1,418,667</u>
Total Weatherization			<u>1,522,484</u>
<u>U. S. Department of Health and Human Services</u>			
Direct Programs:			
Head Start/Early Childhood *	93.600	-	9,411,132
ARRA - Head Start/Early Childhood*	93.708	-	<u>2,052,657</u>
Total Head Start/Early Childhood			<u>11,463,789</u>
Passed through State Department of Social Services - Office of Community Services - Home Energy Assistance Program	93.568	-	4,980,810
Passed through State Department of Social Services - Office of Family Support - Project Independence	93.558	667545	203,182

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Expenditures of Federal Awards (continued)
Year Ended May 31, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Labor -			
Community Service Block Grant *	93.569	2010N0024	618,100
Community Service Block Grant *	93.569	2011N0024	343,000
ARRA - Community Service Block Grant*	93.710	2009N0024	901,445
Total Community Service Block Grant			<u>1,862,545</u>
Total Department of Health and Human Services			<u>18,510,326</u>
<u>The Corporation for National Service</u>			
Direct Program:			
Retired Senior Volunteer Program	94.002	-	<u>46,691</u>
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program - Iberia	97.024	369000-002	<u>6,360</u>
Total expenditures of federal awards			<u>\$21,833,586</u>

* Major federal financial assistance programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Schedule of Expenditures of Federal Awards
Year Ended May 31, 2011

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. The St. Martin, Iberia, Lafayette, Community Action Agency, Inc. reporting entity is defined in Note 1 to the financial statements for the year ended May 31, 2011. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Head Start, Weatherization, Community Service Block Grant, Homelessness Prevention and Rapid Re-Housing, and Food Reimbursement programs were considered major federal programs for the St. Martin, Iberia, Lafayette Community Action Agency, Inc.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the St. Martin, Iberia, Lafayette, Community Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

(3) Relationship to Federal Financial Reports

A reconciliation of total expenditures of federal awards reported in the Schedules of Expenditures of Federal Awards to total expenses per statement of functional expenses is as follows:

	2011
Total expenses per statement of activities	\$ 26,342,420
Add: Equipment additions	151,687
Less: In-kind contributions	(2,723,680)
Depreciation	(386,611)
Non-federal expenses	(1,550,230)
Total expenditures per schedule of federal awards	\$ 21,833,586

The total in-kind contributions of \$2,723,680 and depreciation expense in the amount of \$290,713 were for federal programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs
Year Ended May 31, 2011

Part I. Summary of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the financial statements of St. Martin, Iberia, Lafayette Community Action Agency, Inc.
2. No deficiencies in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with Government Auditing Standards, were disclosed by the audit of the financial statements.
4. Two significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements. One of the significant deficiencies is considered to be a material weakness.
5. The auditors' report on compliance for the Homeless Prevention and Rapid Re-Housing Program expresses a qualified opinion; the report on the remaining programs is unqualified.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in the accompanying schedule of current and prior year audit findings and management's corrective action plan.
7. The major programs were:
 - U. S. Department of Health and Human Services: Head Start and Early Childhood, CFDA 93.600, ARRA – Head Start and Early Childhood, CFDA 93.708
 - U.S. Department of Housing and Urban Development/Passed through Lafayette Consolidated Government and Iberia Parish Government: Homelessness Prevention and Rapid Re-Housing Program, CFDA 14.257
 - U.S. Department of Energy: Weatherization/ARRA - Weatherization, CFDA 81.042
 - U.S. Department of Health and Human Services: Community Service Block Grant, CFDA 93.569, ARRA – Community Service Block Grant, CFDA 93.710
 - U.S. Department of Agriculture/Passed through State Department of Education: Food Reimbursement, CFDA 10.558
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$655,008.
9. SMILE did not qualify as a low risk auditee.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended May 31, 2011

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings

There are no compliance findings that are required to be reported at May 31, 2011.

B. Internal Control Findings

There are no internal control findings that are required to be reported at May 31, 2011.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

See compliance findings 11-1(C) and 11-2(C) on the accompanying summary schedule of current and prior year audit findings and management's corrective action plan.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended May 31, 2011

Part I: Current Year Findings and Management's Corrective Action Plan

- A. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Internal Control Over Financial Reporting

There are no findings that are required to be reported.

Compliance

There are no findings that are required to be reported.

- B. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

11-1(C) Eligibility

CFDA 14.257 Homelessness Prevention and Rapid Re-Housing Program (HPRP)

CONDITION: An applicant received assistance when the applicant was not eligible.

CRITERIA: Homelessness Prevention Rapid Re-Housing Program participants must meet a minimum of criteria in order to be eligible to receive assistance. One of those criteria is that the household must be at or below 50 percent of Area Median Income.

CAUSE: Personnel were not properly calculating annual income for purposes of comparing to the income limits.

EFFECT: Payment was made to an ineligible applicant and SMILE may be required to reimburse the awarding agency the amount paid.

CONTEXT: A sample of 40 applicant files, consisting of total disbursements of \$36,849, was selected for audit from a population of disbursements totaling \$595,372. The results from the sample found 1 disbursement which did not meet eligibility requirements which resulted in questioned cost of \$1,000.

RECOMMENDATION: Management needs to implement policies and controls to ensure that calculations are properly made and that eligibility determinations are accurate.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan (Continued)
Year Ended May 31, 2011

MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION: Ms. Brenda Foulcard, Finance Director has addressed the finding with management and management has implemented a policy in line with HUD requirements that subjects all applicants to the HPRP Income Eligibility Calculation Method.

11-2(C) Davis Bacon Act

CFDA 81.042 U.S. Department of Energy – Weatherization – ARRA

CONDITION: Per tests performed, it was noted that a contractor did not turn in payroll reports on a weekly basis.

CRITERIA: The Davis Bacon Act states that each covered contractor and subcontractor must, on a weekly basis, provide the federal agency a copy of all payrolls providing the required information for the preceding weekly payroll period. Each payroll submitted must be accompanied by a "Statement of Compliance."

CAUSE: One contractor was not turning in payroll reports on a weekly basis.

EFFECT: Potential termination of contract with contractor.

RECOMMENDATION: SMILE should ensure that they are receiving weekly certified payrolls from all contractors performing weatherization work and should be submitting them to LACAP on a timely basis to ensure compliance with the Davis Bacon Act.

MANAGEMENT'S RESPONSE AND PLANNED CORRECTIVE ACTION: Ms. Brenda Foulcard, Finance Director, will work with management to perform internal audits, especially in the area of complying with the Davis Bacon Act, to ensure that all compliance requirements are being adhered to.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan (Continued)
Year Ended May 31, 2011

Part II: Prior Year Findings

- A. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Internal Control Over Financial Reporting

10-1(IC) Inaccurate Financial Statement

CONDITION: All financial reporting objectives are not being met. Transactions are not being reported accurately in the general ledger. Not all account balances are being accurately reconciled to supporting documentation on a monthly basis.

RECOMMENDATION: We recommend that personnel coding transactions be trained and closely supervised and certain duties of the Finance Director be assigned to other qualified personnel to make sure the Finance Director has sufficient time to review the financial statements and supporting documentation prior to their release.

CURRENT STATUS: Resolved.

Compliance

There are no findings that are required to be reported.

- B. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

10-2(C) OMB Circular A-122 - Inadequate Supporting Documentation

CFDA 81.042 U.S. Department of Energy – Weatherization

CONDITION: Certain payments to contractors for weatherization expenses were not fully supported by adequate documentation.

RECOMMENDATION: Under no circumstances should request for payment be submitted to be paid without all supporting documentation. Personnel in-charge of preparing and assembling information to be submitted for payment needs to be reminded that all supporting documentation must be obtained prior to approval for payment.

CURRENT STATUS: Resolved.